

# SpotLight

## Regional Labor Force Growth Mix of Native, Immigrant Workers Varies

America's labor force added 6.7 million workers from 2000 to 2005, a 4.7 percent national rate of increase that masks substantial regional differences.

Led by Arizona and Nevada, the Mountain region posted the strongest expansion in labor supply (*see table*). The South Atlantic, driven by Florida, came in next, followed closely by Texas and surrounding states.

The Pacific region and the upper Midwest recorded relatively moderate gains. The Middle Atlantic, New England, the interior South and the Midwest's industrial heartland experienced the slowest workforce growth.

Such regional differences are driven in part by the natural rate of increase in a state's existing population. They're also spurred by labor demand, which attracts new workers to a state.

These factors suggest labor force growth will be higher in regions with younger populations, larger families and stronger economic growth. Increases in real GDP from 2000 to 2005 line up with labor force growth—except for the anomaly of the East South Central region.

Those who migrate from within the United States reflect an ongoing relocation of people from traditional population centers in the Northeast, Midwest and Pacific Coast to the South and Mountain West.

For the five years starting in 2000, New York, California, Illinois and Massachusetts had the most out-migrants, and Florida,

Arizona, Nevada and Georgia drew the most domestic in-migrants.<sup>1</sup> Texas ranked sixth in gains.

The destination regions also had higher natural rates of labor force growth.

International migration has become increasingly important as U.S. labor force growth has slowed, largely due to aging of the workforce. Im-

migrants, responsible for an estimated 38 percent of the national growth in the 1990s, accounted for 45 percent in 2000–05.

Once again, regional differences are telling. Parts of the country experiencing domestic out-migration have become heavily reliant on newcomers from overseas to replenish their labor force (*see map*). From 2000 to 2005, for example, the foreign born accounted for 94 percent of labor force growth in the East North Central region and 73 percent in New England.

Immigrants made a smaller but still significant contribution to labor force expansion in the fastest-growing regions. In the South Atlantic, the foreign born drove 49 percent of labor force growth. They accounted for

37 percent in the West South Central region, which includes Texas.

America's labor force is growing at different paces in different places, with fast-growing regions acting as magnets for migrants. The factors that determine labor force growth change only gradually, which suggests recent trends will persist. Immigrants will continue to account for a large share of the growth until at least 2020, when the labor force will have adjusted fully to the retirement of the baby boomers.

—Pia M. Orrenius and Michael Nicholson

### Labor Force, GDP Growth Largely Align, 2000–05

Census divisions and states	Labor force (percent)	Real GDP (percent)
<b>Mountain:</b> MT, ID, WY, NV, UT, AZ, CO, NM	10.4	17.6
<b>South Atlantic:</b> WV, VA, NC, SC, GA, FL, DC, MD, DE	7.3	17.0
<b>West South Central:</b> TX, OK, AR, LA	7.3	12.9
<b>Pacific:</b> WA, OR, CA, AK, HI	5.7	12.8
<b>West North Central:</b> ND, SD, NE, KS, MN, IA, MO	3.8	11.6
<b>Middle Atlantic:</b> NY, NJ, PA	2.9	10.9
<b>New England:</b> VT, ME, NH, CT, RI, MA	2.9	8.1
<b>East South Central:</b> MS, AL, TN, KY	1.4	12.7
<b>East North Central:</b> WI, IL, IN, MI, OH	.7	5.5

SOURCES: Bureau of Labor Statistics, Current Population Survey; Bureau of Economic Analysis.

### Note

<sup>1</sup> "Domestic Net Migration in the United States: 2000 to 2004," Current Population Reports, April 2006.

### Foreign-Born Share of Labor Force Growth

